



Transform While You Fight!

PACOM ACTD Conference

March 10, 2005

Dr. Nancy Spruill

Director, Acquisition Resources & Analysis

**Office of the Under Secretary of Defense (Acquisition
Technology & Logistics)**



Agenda

- Transformation Challenge
- AT&L Focus
- Spectrum of Acquisition
- Transformational Initiatives
- Fiscal Realities



“The United States will ... transform America’s national security institutions to meet the challenges and opportunities of the twenty-first century.”

» **President George W. Bush**
September 2002

The Department currently is pursuing transformational business and planning practices such as adaptive planning, a more *entrepreneurial, future-oriented capabilities- based resource allocation process, accelerated acquisition cycles built on spiral development, out-put based management*, and a reformed analytic support agenda.”

» **Secretary of Defense Donald Rumsfeld**
Transformation Planning Guidance
April 2003





“DoD has a long way to go to ensure that our acquisition (and sustainment) process achieves the appropriate jointness and interoperability needed in the 21st Century...As we move forward with the QDR, we absolutely must transform the acquisition (and sustainment) process.”

SecDef Snowflake

October 21, 2004

Need an adaptive and deliberate acquisition processes



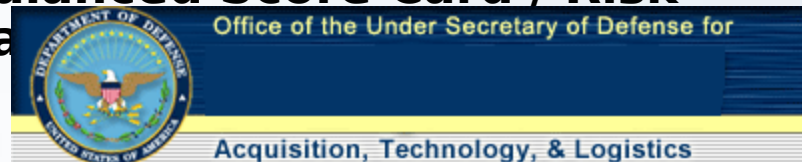
The President's Management Agenda (PMA)

"...dedicated to ensuring that the resources entrusted to the federal government **are well managed and wisely used**. We owe that to the American people."



SECDEF - Transformation and Joint Warfighting

- DoD Transformational Planning Guidance
- FY 2005 Top 10 Priorities
- Balanced Score Card / Risk Management



1. Acquisition Excellence with Integrity
2. Logistics: Integrated and Efficient
3. Systems Integration & Engineering for Mission Success
4. Technology Dominance
5. Resources Rationalized
6. Industrial Base Strengthened
7. Motivated, Agile Workforce

AT&L Seven Goals Support PMA and SECDEF



Acquisition Excellence with Integrity



- ✓ **Bring Joint Capabilities Perspective to Acquisition**
 - Conduct **Senior Leadership Reviews** for each Functional Capability Area
 - Re-structure PDM to **Enforce Results** of Senior Leadership Reviews in the Resource Process
 - Transition from “System Focused” to **Capabilities-Based DAES Reviews**
- ✓ **Increase Accuracy and Credibility of Cost Estimates**
- ✓ **Shorten Acquisition Cycle Time**
 - Increase use of **evolutionary acquisition including spiral development**
 - Maximize use of **mature and commercial technology**
 - Expand use of technology demonstrations (ACTD/ATD) - **enter acquisition process “closer to production”**.



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Logistics: Integrated and Efficient



- ✓ **RFID**
- ✓ **Enterprise Integration**
- ✓ **Expand End-to-End Policies**
- ✓ **Reliable Delivery**
- ✓ **Weapon System Support**
- ✓ **Sustain Weapon System Material Readiness**
- ✓ **Corrosion Control**

**Logistics:
Integrated
and
Efficient**



Resources Rationalized



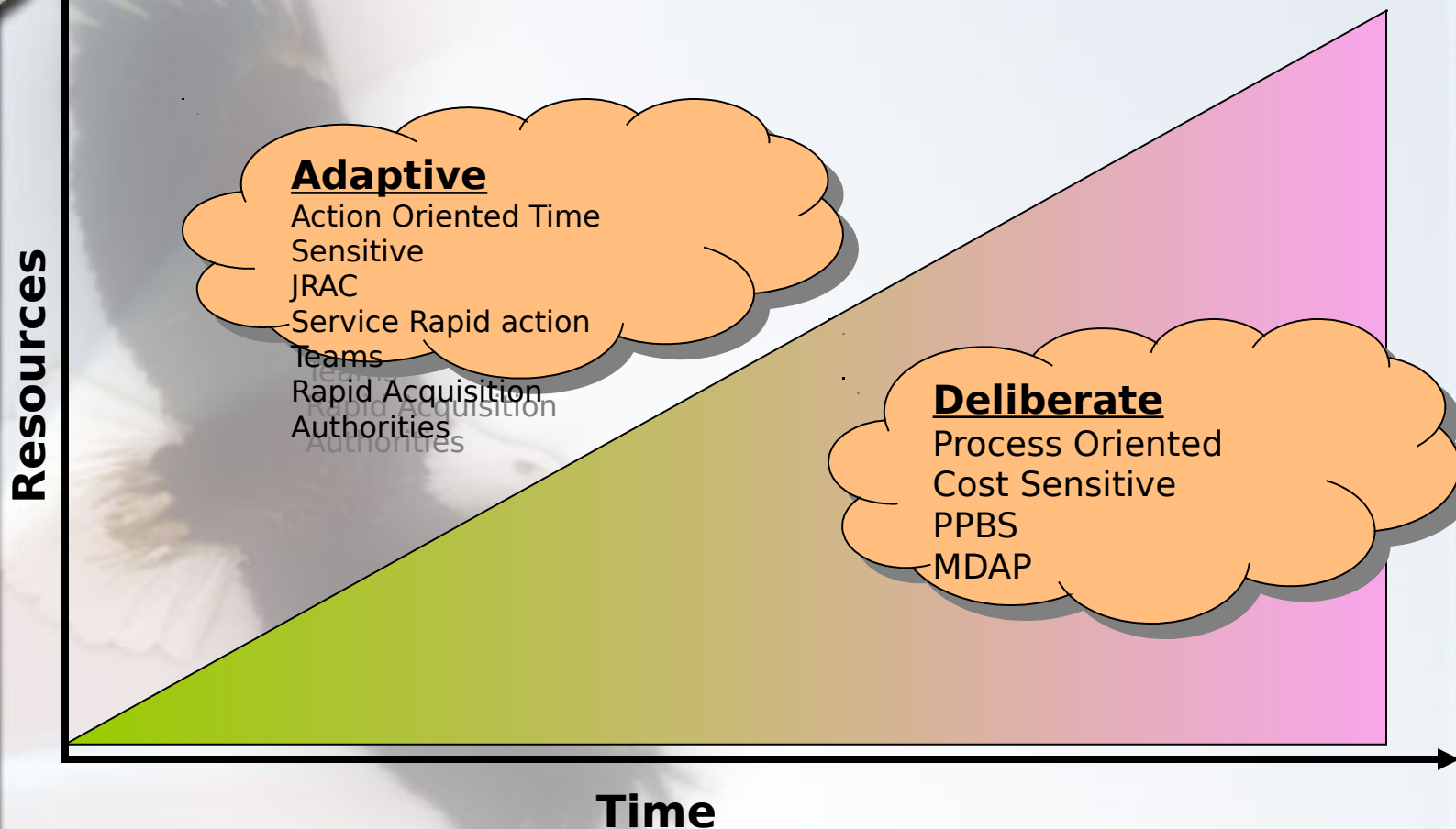
- ✓ **Resource joint warfighting capabilities** (Link resources to capabilities-based approach to enhance Joint warfighting capability)
- ✓ **Rationalize infrastructure** to support joint warfighting capabilities (BRAC, RRPI, Global Posture/Basing Strategy)
- ✓ **Achieve domain owner objectives** (Fundamental business process change and streamlining)
- ✓ **Rationalize contracting** (Business process streamlining)
- ✓ **Enhance outsourcing / competitive sourcing**

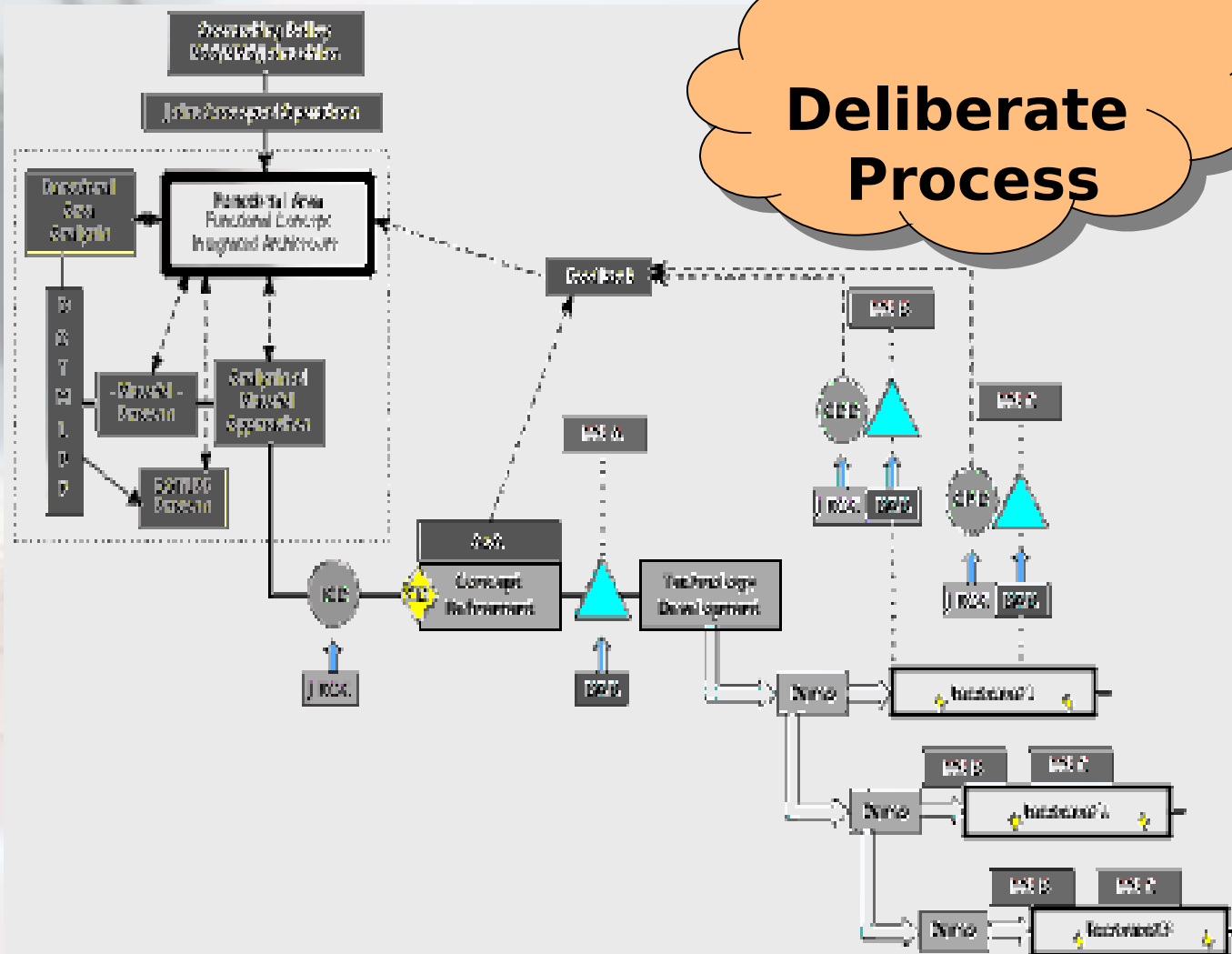
(Revised OMB A-76)

09/11/16



Spectrum of Acquisition





Time



DoD initiatives

- **Army's Rapid Equipping Force (REF)**
- **Army uses the Rapid Fielding Initiative (RFI)**
- **Combating Terrorism Technology Task Force (CTTTF)**
- **Joint Capability Technology Demonstrations (JCTD)**



DoD initiatives (cont.)

- **Laboratories develop technologies that meet immediate warfighter needs**
- **Joint IED Defeat Task Force**
- **The Joint Staff is implementing a new procedure for the rapid validation and resourcing of urgent operational needs**
- **Rapid Acquisition Authority**



DoD initiatives

- **Despite most necessary authorities (to push equipment/services to the warfighter) already existing, process very often still stifled**

"It's a lot easier if stuff is invented in IRAQ, then you can avoid a lot of bureaucracy and get it straight to the soldier." Army Rapid Equipping Force

- **Establish an OSD Joint Rapid Acquisition Cell (JRAC)**
 - **Responsible to the Secretary of Defense through Under Secretary of Defense (Acquisition Technology & Logistics)**
 - **Monitors, coordinates and facilitates meeting the Combatant Commander's Urgent Operational Acquisition Needs**
 - **Provides visibility of needs for special joint efforts such as the IED Task Force and the Combating Terrorism Technology Task Force**



JRAC Successes

- **Identified 15 of 18 US Embassy, Iraq requests for FAR waiver authority as ready for immediate action.**
- **Opened critical communication linkages to allow the execution of vital warfighter capabilities.**
- **Joint IED Task Force (off-leash dogs)**
- **SVTCs with 1 MEF, MNB-NW, 1ID, & 1st CAV**
- **Malodorous Agents and High Intensity Directed Acoustics**



Transformational Initiatives



Business Management Modernization Program (BMMP)

Mission

- Support the Warfighter with world-class business operations

Vision

- Managing DoD's support operations in an efficient, business-like manner, thus optimizing the combat support infrastructure
- Delivering resources to the Warfighter by using the most effective business processes
- Providing accurate, reliable, and timely financial information, affirmed by unqualified audit opinions, to decision makers at all levels of DoD

Goals

- Provide timely and accurate information for business management
- Enable improved business operations

Largest government business transformation effort



How Big is BMMP?

- **5.4M employees, service members, retirees and dependents**
 - Paychecks and W-2's
 - Personnel records and actions
 - Medical and Dental records, appointments, admissions and discharges
 - Training records, plans, and scheduling classes
 - Travel requests, tickets, vouchers
- **\$400B+ /Year**
 - 267 Appropriations
 - 124 Million accounting transactions
 - 11.2 Million invoices
- **\$700B+ in Assets**
- **600,000 Buildings at 6,000 locations in 146 Countries**
 - Treaties, Local Laws and Regulations
 - Leasing arrangements
 - Security
 - Environmental liabilities
 - Real property inventories
- **1,312 Major weapons systems**
 - 4.6 Million parts and supplies managed
- **150+ Federal Source Laws and Regulations (Ex. Title 5, 10, 32, 37)**
 - 4,200+ Specific requirements from source laws
- **4,000 Systems ... and Counting**
 - Different standards and interpretations of rules and requirements



BMMP Focus

- **Re-engineer the processes and identify the information requirements necessary to implement a modern net-centric Business environment that supports the Warfighters' needs.**
- **Facilitate rapid delivery of DoD Enterprise Capabilities that are already under the authority of the OSD organization.**
- **Support service- or component-specific activities by streamlining approval processes to ensure rapid time-to-value, while enforcing compliance to policy such as the Standard Financial Information Structure and DoD Enterprise-level processes.**



Defense Acquisition Management Information Retrieval (DAMIR)

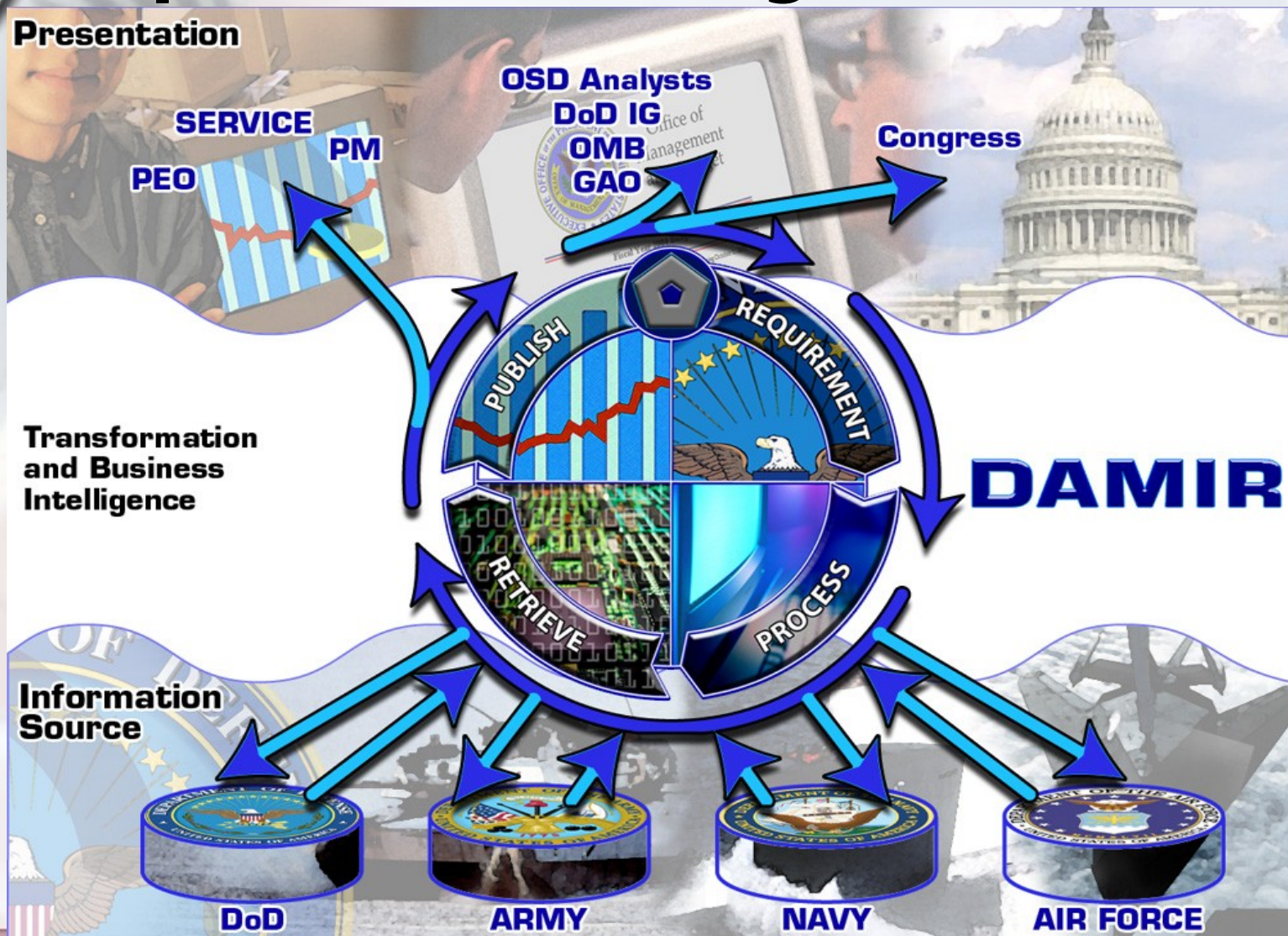
A capability that....

- Enables OSD to better perform its acquisition oversight role
- Is responsive to OMB and Congressional needs
- Leverages existing data sources
- Easily enables improvements to new/better data
- Reduces non-value added workload up and down the chain
- Promotes net-centric information



Acquisition Oversight Vision

Presentation





DAMIR

➤ **Structured Data (Purview)**

- Web-based application that accesses Acquisition information from disparate sources.
- Consists of presentation layer, web services data “pull” software, and change management.
- Pull data from Services.
- Users share the same data..
- Access provided to OSD, Joint Staff, Services, Program Offices and Congress.

➤ **Unstructured Data**

- Virtual Library.



DAMIR Purview - FBCB2



AT&L Purview

Office of the Under Secretary of Defense for Acquisition, Technology and Logistics


Programs Contracts Virtual Library Reports Admin Help Log out

February 22, 2005

Panels Mission Schedule Funding Breaches Assess POCs CostVar

FBCB2 (JAN 05 DAES) Reports

Panels Options

Mission & Description					Schedule				
<div></div> <p>The Force XXI Battle Command Brigade and Below (FBCB2) is a digital, battle command information system that provides integrated, on-the-move, timely, relevant battle command information technology to allow commanders to concentrate combat system effects rather than combat forces, enabling units to be both more survivable and more lethal. FBCB2 provides the capability to pass orders and graphics allowing the</p> <p><small>Complete text available by clicking on Mission & Description title above.</small></p>					<div>BLOCK II</div> <div>Deployment of Block II S...</div> <div>Follow-on SE&I Contract ...</div> <div>Full Rate Production Dec...</div> <div>Full Rate Production Co...</div> <div>Software Version 6.4x O...</div>				
Cost Variance					Points of Contact				
	RDT&E	Proc	MILCON	O&M	Total	Name/Email		Commercial/DSN	
SAR B/L Dev Est	464.5	2153.4	--	--	2617.9	POC Ms Asuncion Lontok		732-427-8035	
Previous Changes	194.3	-201.5	--	22.2	15.0	asuncion.lontok@us.army.mil		987-8035	
Current Changes	-59.2	-1069.2	--	77.4	-1051.0	PM COL Leonard Montford		732-427-3237	
Total Changes	135.1	-1270.7	--	99.6	-1036.0	ray.montford@us.army.mil		987-3237	
Current Estimate	599.6	882.7	--	99.6	1581.9	PEO MG Michael R. Mazzucchi		(732) 532-1515	
Current Estimate: DEC 03 SAR; Previous Estimate: DEC 02 SAR					michael.mazzucchi@us.army.mil		992-1515		
Note: All values are TY\$ in Millions									



DAMIR Purview - FBCB2



AT&L Purview

Office of the Under Secretary of Defense for Acquisition, Technology and Logistics

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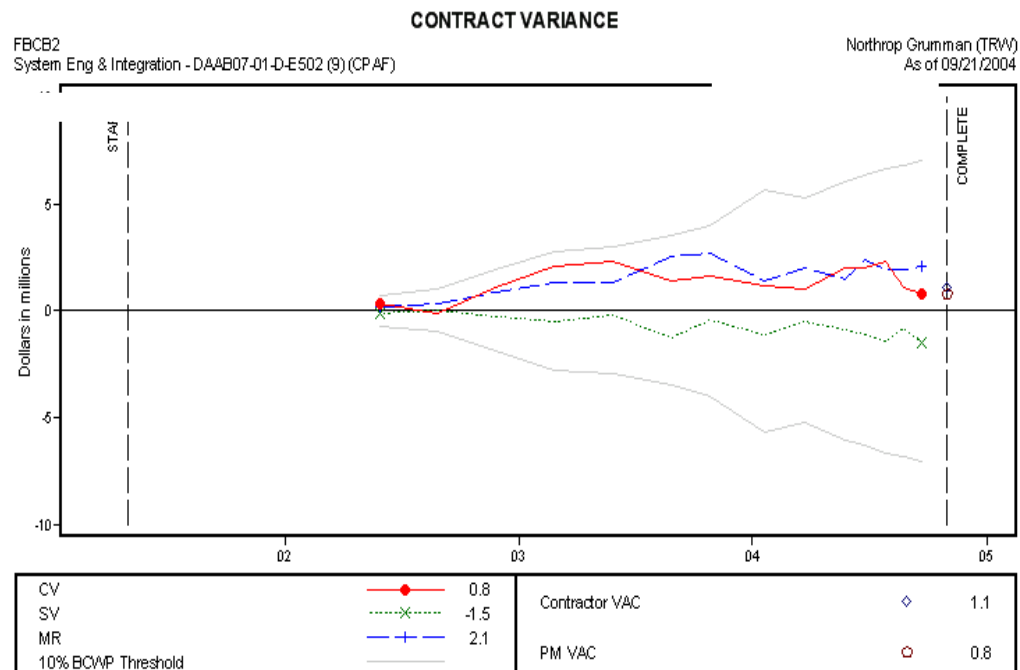
Programs Contracts Quad Virtual Library Reports Admin Help Log out

February 22, 2005

Charts Reports

FBCB2 / System Eng & Integration

Options Actions





Military Equipment Valuation **(MEV)**

➤ **Vision**

- Military equipment is properly accounted for and reported in time to be of use to decision makers and for financial reporting.

➤ **Mission**

- Identify and lead the development of short/mid-term and long term solutions to comply with Governmental Accounting Standards. Solutions include: policies, procedures, business enterprise architecture, requirements development and systems.

➤ **Goals**

- Determine the value of military equipment, such as aircraft, ships, combat vehicles, and weapons, and include this information in the periodic financial statements prepared by the DoD.



Military Equipment Valuation (MEV) **Status**

- **Number of programs: 1,055**
- **Valuations completed through February 2005: 547**
- **Valuations in-progress: 147**
- **FY2005 program valuations goal (cumulative): 968**
- **Accounting systems interfaced with: 16**
- **Property Accountability systems interfaced with: 28**
- **Data elements in accounting/accountability systems: >600**



Military Equipment Valuation - F/A-18 E/F

Program Balances

Estimated Cumulative Cost of F/A-18 E/Fs in Service	A	\$12,404.5
Accumulated Depreciation	B	<u>\$1,974.7</u>
	C = A -	
Net Book Value of F/A-18 E/Fs in Service	B	\$10,429.8
Total Work-in-Process	D	\$3,381.3
	E = A +	
Cumulative Cost of F/A-18 E/Fs in Service and Work-in-Process	D	\$15,785.7
Annual Depreciation Expense	F	\$618.2

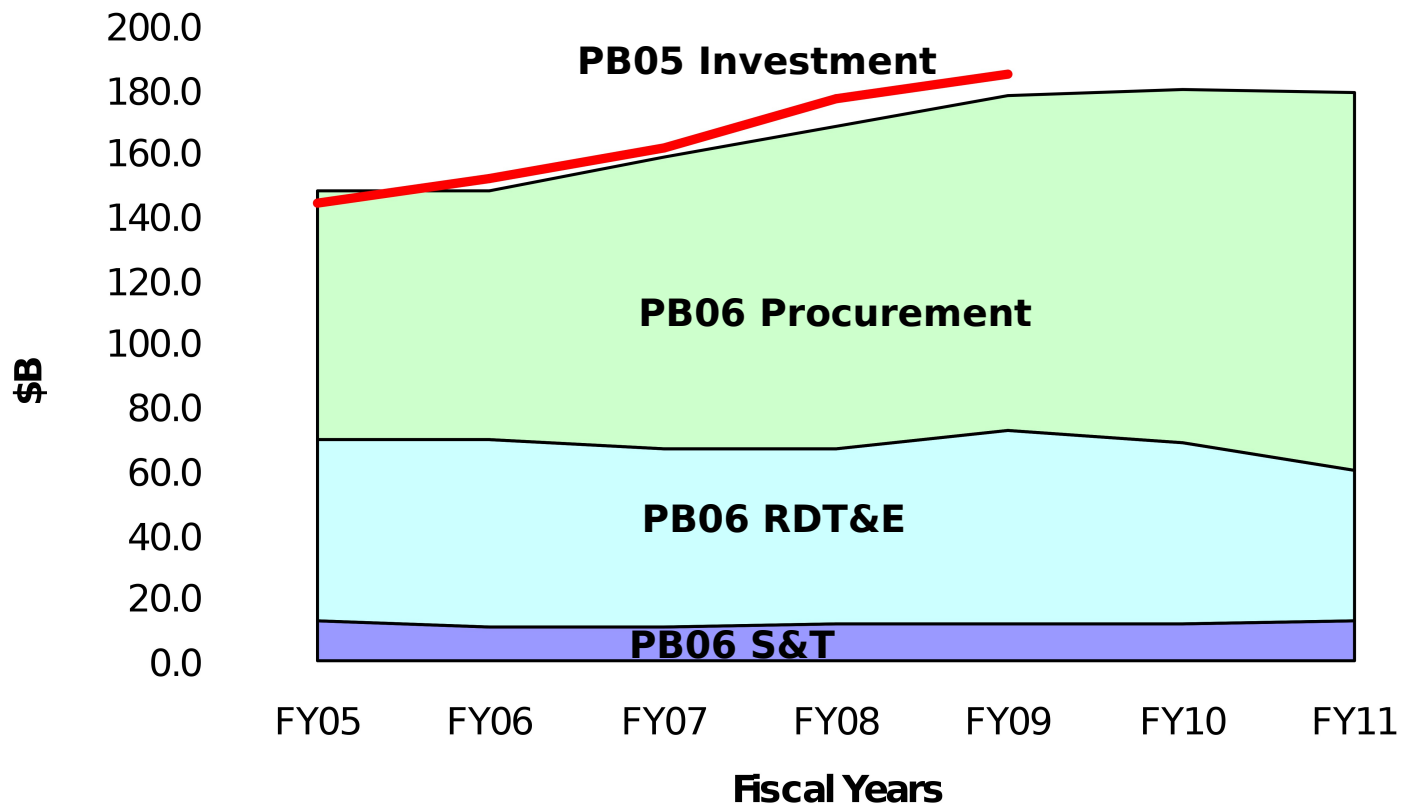
Estimated Cost per F/A-18 E/F

Total Estimated Program Costs	G	\$28,170.1
Total Number of F/A-18 E/Fs	H	<u>352</u>
Estimated Cost per F/A-18 E/Fs	I = G / H	\$80.0

As of April 19, 2004
\$ in Millions

A large, faded image of a bald eagle in flight serves as the background for the slide. The eagle is shown from the side, with its wings fully extended, flying towards the right. The background of the slide is a light blue gradient.

Fiscal Realities



Significant FY06-11 Program Reductions

- F/A-22 -\$10.0B
- VA Class Submarine -\$5.4B
- C-130J -\$5.1B
- MDA -\$5.0B
- DD(X) -\$2.6B

Significant FY06-11 Program Increases

- Space Based Radar (SBR) +\$1.3B
- AEHF +\$825M
- CBDP +\$741M



**OSD Defense Wide Transition Programs
Leveraged across Service and Agency
Budgets.**

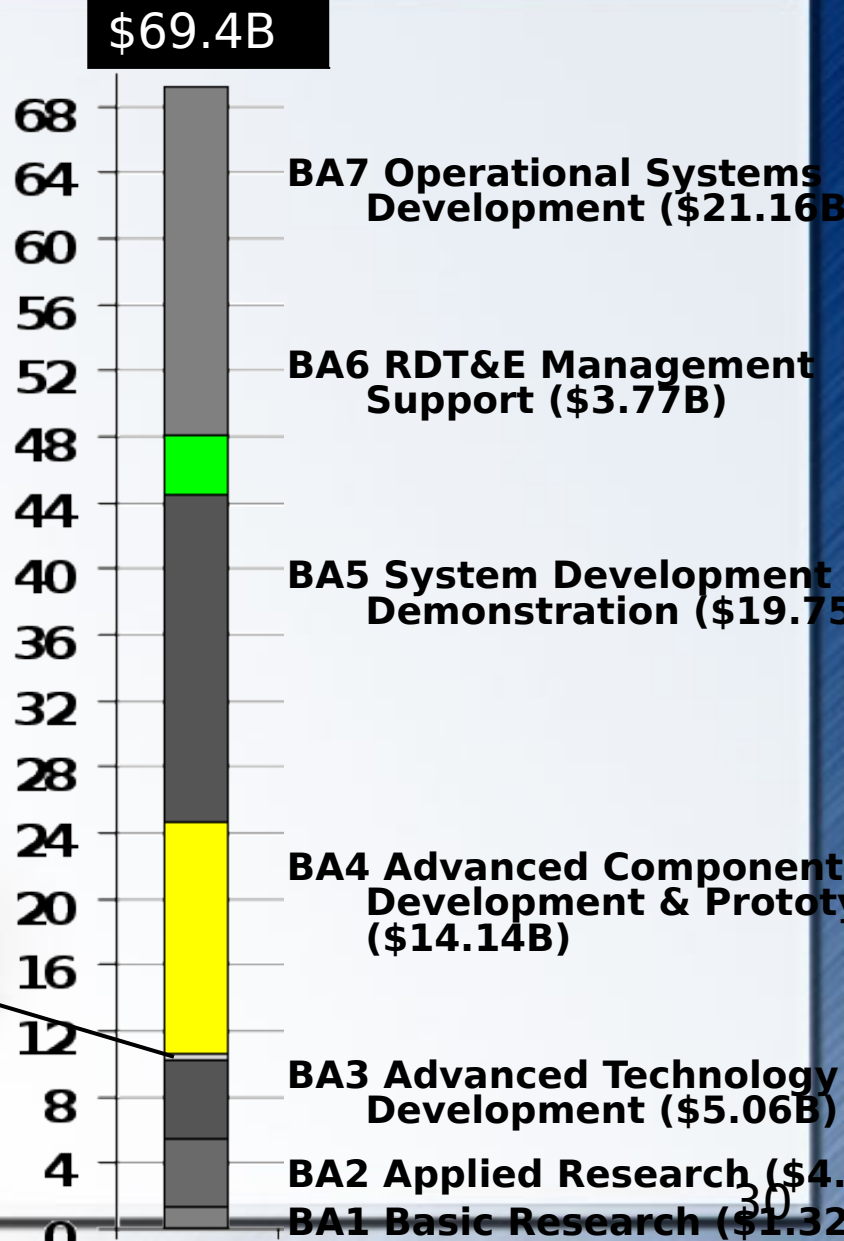
**ACTD funds leverage
the most promising
technologies to
support the
warfighter!**

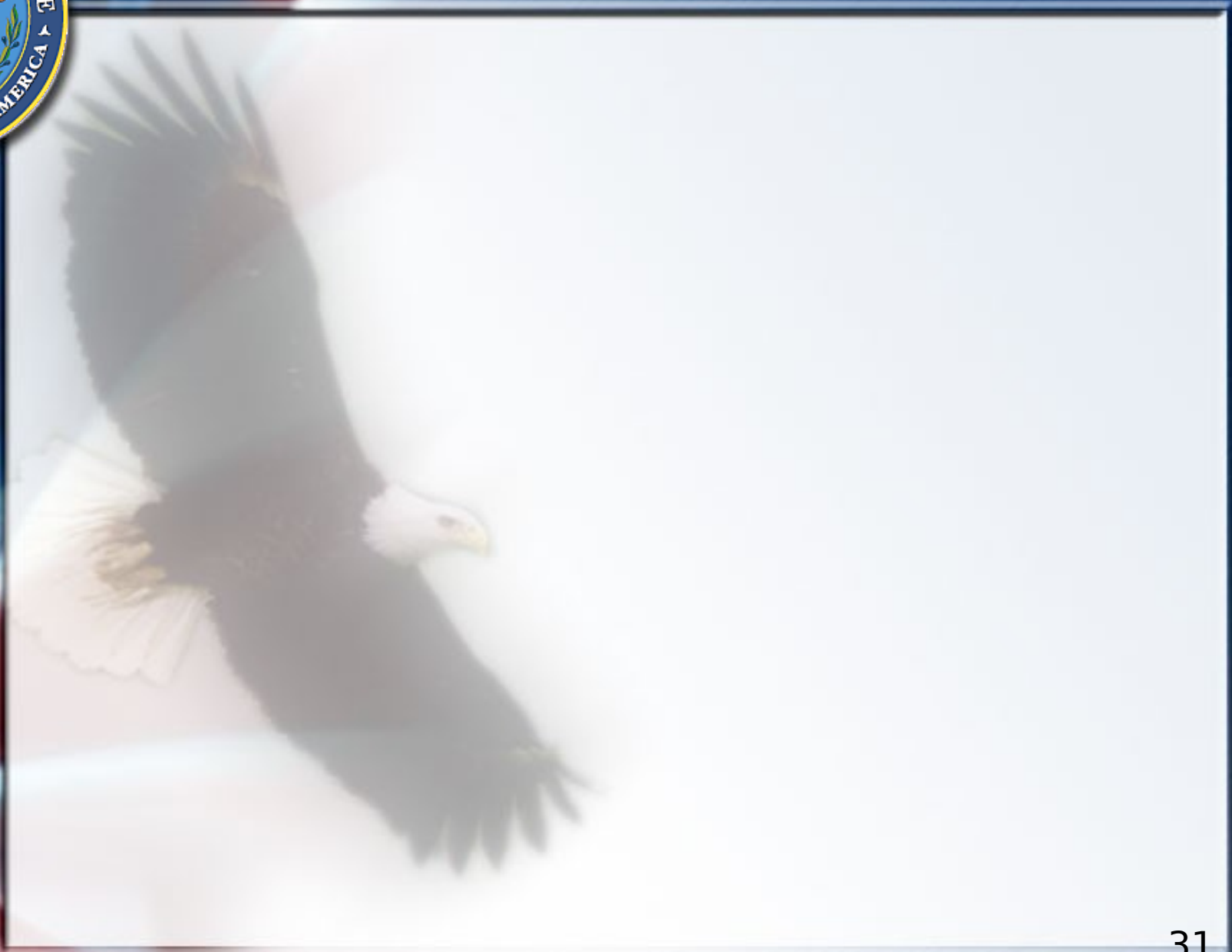
**Development
(BA4 + BA5 = \$33.89B)**

**Defense Wide DUSD (AS&C) RDT&E Support Totals
\$311 M (~200 M from ACTD/JCTD BA-3)**

**Technology Base (BA1 + BA2 + BA3 = \$10.52B)
(BA1 + 2) = \$5.46B)**

15% of RDT&E







How Big is DoD?

- **3.5M Active Duty Military, Civilians and Reserves**
- **\$400B+ Budget**
- **\$700B+ in Assets**
- **1,312 Major weapons systems**
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DoD Net-Centricity

➤ **Mission**

- Lead the Information Age transformation of the Department of Defense by building the foundation for network-centric operations through policies, program oversight, resource allocation, and the provision of value-added support.

➤ **Goals**

- Make information available on a network that people depend on and trust.
- Populate the network with new, dynamic sources of information to defeat the enemy.
- Deny the enemy comparable advantages and exploit weaknesses.

➤ **Vision**

- People throughout the trusted, dependable and ubiquitous network are empowered by their ability to access information and recognized for the inputs they provide.

Power to the Edge!



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